



State of Utah


DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 7, 2001

TO: Minerals File

FROM: Tom Munson, Senior Reclamation Specialist 

RE: Meeting Documentation, Brush Wellman, Topaz Mine, M/023/003, Juab County, Utah

Date of Meeting: June 18, 2001
Place of Meeting: DOGM offices
Time of Meeting: 1:30 p.m.
Participants: Greg Hawkins, John Wagner, Clyde Yates, Brush Resources, Inc; Bob Bayer (consultant), JBR; Mary Ann Wright, Wayne Hedberg, Tom Munson, and Doug Jensen, DOGM

Purpose of Meeting: To discuss proposed changes to mine plan

Agenda:

Current State of Planning – Mine Ore Reserves and Beryl Blend Mill Feed

1. Delineation of ore reserves
2. Dynamics of bertrandite/beryl blend/feed

Proposed changes to plans

1. Proposed shift to “continuous” mining (methodology and timing)
2. Proposed changes to pit and dump locations and acreages

Proposed bonding methodology

1. Base bond amount on 15-20 years of operations
2. Obtain approval for entire mine life (possibly +/- 70 years)
3. Standard-acreage-based reclamation costing determined by disturbance type

- Brush wants more permit flexibility on annual basis to compete with world markets and exchange – having several thousand more private acres helps achieve this goal.
- Extensive drilling completed, new mine planning and ore body modeling performed.
- New extent ore bodies will need more dump space.
- 60-70 years proven reserves now.
- 98% of world wide production.
- Uses of BeCu metals. Nuclear reactors, bombs, x-ray glass, electronics, etc.
- @500,000 lbs. Concs., this years projection (700,000 plant capacity).

- DEFENSE LOGISTICS AGENCY STOCKPILE beryl purchases (up to 44% can be blended with bertrandite)
- 0.65% average grade bertrandite ore
- Bertrandite ore is inconsistent between pits, mining flexibility is a must for consistent feed to mill because of ore blending (both grade and metallurgical).
- The old plan had little metallurgical data so pit development was strictly BeO grade based.
- Depletion tax credit advantage, need 3-4 areas available to mine at once.
- Eight total properties or pit areas are identified to date and no new discoveries are anticipated.
- 50 to 80 ft. minimum pit depth.
- 350-500 feet pit depth is economic.
- Will be some backfilling opportunities based upon extensive drilling to date. Unable to do that to some known areas. Additional backfill may become available depending upon the results of U/G feasibility studies now under way.
- 7000 acres land ownership now, was 11,000.
- 1200 acres under permit now, may double disturbance with new plan.
- Rolling bond may be proposed?
- Trying to get away from campaign mining and complete a more continuous mining scheme.
- Working toward a life of mine permit eventually.
- Bond for 15-20 year operations (anticipated).
- Bonding by disturbance type may be proposed if OGM okay with this?
- Timeframes?

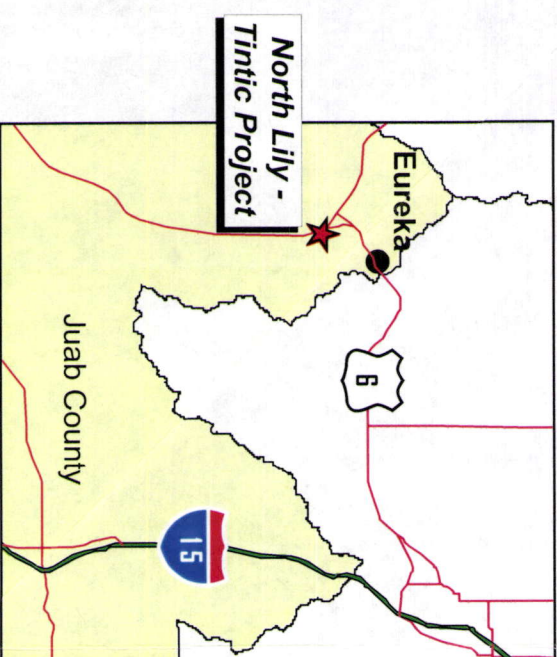
Hope to bring in more detail (mine plan) by this fall or winter. Final revision w/in 6 months? Permit approved within 1 year? Specifics details for first 20 years may be projected as part of revised plan.

NORTH LILY - TINTIC PROJECT

THE NORTH LILY - TINTIC PROJECT was a cyanide heap leach facility initiated by Anaconda Minerals in 1983 and taken over by the North Lily Mining Company (NLMC) in 1988. The facility was setup to reprocess old mine dumps from turn of the century gold mines in the Silver City area. In accordance with NLMC's environmental responsibilities, all source areas that were disturbed over the life of the project have been reclaimed. The result of this operation was that many of the prelaw mine dumps in the Silver City Mining District, that would not have been treated, have been reclaimed.

NLMC ceased operations in 1993 due to increasing haulage distances and low gold prices. Reclamation of the facility began in the fall of 2000 with the recontouring, fertilization and seeding of 24.6 acres of facilities and heap leach pads. As part of this reclamation a fluid management system was installed to handle any residual fluids that would emanate from the site. Final seeding of the site will take place later this fall with final bond release anticipated upon successful revegetation.

The closure of this site was the result of a cooperative effort between Division of Oil, Gas and Mining and the Division of Water Quality under a Board of Oil, Gas and Mining Settlement Agreement with NLMC.



ACTIVE

RECLAIMED

m/23/003